





INDIANA
WORKFORCE
DEVELOPMENT
AND ITS **WorkOne** CENTERS

TO: State Workforce Innovation Council Chairperson
Indianapolis Private Industry Council Chair, and IPIC's President and CEO
Regional Workforce Board Chairs
Regional Operators

FROM: Teresa L. Voors 
Commissioner, Indiana Department of Workforce Development

THROUGH: Scott Sanders
Chief Financial Officer 

DATE: June 15, 2009

SUBJECT: DWD Policy 2008-39
Final Program Year 2009 Workforce Investment Act Adult, Youth, and
Dislocated Worker Formula Allocations

Purpose

To announce the policy for distributing the Program Year 2009 Workforce Investment Act Adult, Youth, and Dislocated Worker formula allocations to Indiana's two workforce investment boards and eleven regional workforce boards. The program year runs from July 1, 2009 through June 30, 2010.

The Strategic Plan for Title I of the Workforce Investment Act of 1998 and the Wagner-Peyser Act, July 1, 2005 through June 30, 2010, as submitted, for the Indiana Department of Workforce Development, explains that workforce development services will be provided under a two workforce investment board structure. One workforce board represents Marion County, with the balance of state being represented by a second workforce investment board. The workforce investment board for Marion County is the Indianapolis Private Industry Council (IPIC). Indiana's State Workforce Innovation Council serves as the workforce investment board for the balance of state (BOS-WIB). Therefore, all uses of the term "local" within this policy refer to the two workforce investment boards—IPIC and BOS-WIB. On May 14, 2009 the State Workforce Innovation Council, acting as the BOS-WIB, voted to distribute the allocation for the balance of state to Indiana's eleven regional workforce boards.

Rescission

None

Content

The Indiana Department of Workforce Development (DWD) is announcing the distribution for the Program Year 2009 Workforce Investment Act formula allocations for adults, youth, and dislocated workers. This process is a two-part process. The first distribution of allocations is to Indiana's two workforce investment boards: Marion County and the balance of state. The second step in the process is the allocation of funds for the balance of state to the eleven regional workforce boards.

Mandatory Statewide Employment and Training Funding

Of the funding available for adults, youth, and dislocated workers, not more than 15 percent may be reserved for statewide activities. Mandatory statewide employment and training activities include:

- Disseminating the list of eligible training providers for adults and dislocated workers, information identifying on-the-job training and customized training providers, and performance and program cost of such providers;
 - Publishing a list of youth providers;
 - Conducting evaluations of activities;
 - Providing incentive grants;
 - Providing technical assistance to local areas for failing standards;
 - Assisting in the establishment and operation of the one-stop system;
 - Providing additional assistance to local areas with high concentrations of youth; and
 - Operating a fiscal and management accountability information system.
- (Workforce Investment Act Section 134(a)(2)(B))

Allocations to Indiana's Two Workforce Investment Boards: Marion County and the Balance of State

Adult Formula Allocations to Indiana's Two Workforce Investment Boards

For Program Year 2009, Indiana's state allotment for WIA adult activities is \$16,349,181. The following describes the formula for the adult allocation to Indiana's two workforce investment boards:

The state follows Section 133(b)(2)(A)(i) of the Workforce Investment Act to formula allocate funding for adult activities. The following data are used in computing the allotments:

- The number of unemployed for Areas of Substantial Unemployment are averages for the 12-month period, July 2007 through preliminary June 2008;
- The number of excess unemployed individuals or the Areas of Substantial Unemployment excess (depending on which is higher) are averages for the same 12-month period used for Areas of Substantial Unemployment unemployed data; and
- The numbers of economically disadvantaged adult data (age 22 to 72, excluding college students and military) are from the 2000 Census.

Also, the state applies the hold harmless provision contained in Workforce Investment Act Section 133(b)(2)(A)(ii.) The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the Workforce Investment Act Adult allocation:

- The allocations are available for obligation beginning July 1, 2009. (20 CFR Part 667.100)
- Workforce Investment Act adult cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2010 for Program Year 2009 Workforce Investment Act allocations. (Workforce Investment Act Section 133(c))
- 70 percent of IPIC's allocation including the transfer activities must be spent in the first year.
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2011 for Program Year 2009 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- A workforce investment board may transfer up to 100 percent of the Program Year 2009 adult allocation and up to 100 percent of the Program Year 2009 dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. Workforce Investment Boards cannot transfer funds to or from the Workforce Investment Act youth program. (Workforce Investment Act Section 133(b)(4))

Youth Formula Allocations to Indiana's Two Workforce Investment Boards

For Program Year 2009, Indiana's state allotment for WIA Youth activities is \$18,417,265. The following describes the formula for the youth allocation to Indiana's two workforce investment boards. The state follows Section 128(b)(2)(A)(i) of the Workforce Investment Act in formula allocating funding for youth activities. The following data are used in computing the allocations:

- The number of unemployed for Areas of Substantial Unemployment are averages for the 12-month period, July 2007 through preliminary June 2008;
- The number of excess unemployed individuals or the Areas of Substantial Unemployment excess (depending on which is higher) are averages for the same 12-month period used for Areas of Substantial Unemployment unemployed data; and
- The number of economically disadvantaged youth (age 16 to 21, excluding college students and military) are from the 2000 Census.

Also, the hold harmless provision contained in Workforce Investment Act Section 128(b)(2)(A)(ii) is enacted. The hold harmless provision guarantees a local area will not receive an allocation percentage for a fiscal year that is less than 90 percent of the average allocation percentage of the local area for the two preceding fiscal years.

The following are important facts concerning the Workforce Investment Act Youth allocation:

- Allocations are available for obligation beginning July 1, 2009. (20 CFR Part 667.100)
- Cost limitations for Workforce Investment Act youth allocations are allocation based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2010 for Program Year 2009 Workforce Investment Act allocations. (Workforce Investment Act Section 128(c))
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2011 for Program Year 2009 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Section 128(b)(4) and 20 CFR Part 667.210)
- Workforce investment boards cannot transfer funds to or from the Workforce Investment Act youth program. (Section 133(b)(4))
- Not less than 30 percent must be expended on services to out-of-school youth. (Workforce Investment Act Section 129(c)(4))

Dislocated Worker Formula Allocations to Indiana's Two Workforce Investment Boards

Indiana's Program Year 2009 state allotment for WIA dislocated worker activities is \$25,076,767. Of the funding available for dislocated workers, not more than 25 percent may also be reserved for statewide rapid response activities. Mandatory rapid response activities include:

- ◆ Providing rapid response activities in local areas by the state or an entity designated by the state, in coordination with the local boards and chief elected officials in the local area; and
- ◆ Providing additional assistance in local areas that experience disasters, mass layoffs or plant closings, or other events that increase the numbers of unemployed individuals, carried out by the state or an entity designated by the state, in coordination with the local boards and chief elected officials in the local areas. (Workforce Investment Act Section 134(a)(2)(A))

The state follows Section 133(b)(2)(B) of the Workforce Investment Act in allocating funds for activities for dislocated workers. The legislation mandates the factors that must be used in the local formula, but permits states' discretion in determining data sources and weights assigned each factor. The following data are used by the State of Indiana to compute the allotments.

Allocation Factor	Data Source & Time Period	Weight
Insured Unemployment Data	Annual report of unemployment compensation claimants – unemployment insurance data for Calendar Year 2008	30%
Unemployment Concentration Data	Labor force for counties report – labor market information for Program Year 2007	30%
Plant Closing & Mass Layoff Data	Plant closure/mass layoff report – WARN Notices for Calendar Year 2008	15%
Declining Industries Data	County employment patterns report – labor market information for Calendar Year 2007	10%
Farmer/Rancher Economic Hardship Data	Census of Agriculture – county data for Calendar Year 2006	5%
Long-term Unemployment Data	Annual report of unemployment compensation claimants with 15 or more weeks claimed – unemployment insurance data for Calendar Year 2008	10%

The following are important facts concerning the Workforce Investment Act Dislocated Worker allocation:

- The Program Year 2008 allocation is available for obligation beginning July 1, 2009. (20 CFR Part 667.100)
- Workforce Investment Act Dislocated Worker cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were formula allocated – June 30, 2010 for Program Year 2009 Workforce Investment Act allocations. (Workforce Investment Act Section 133(c))
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2011 for Program Year 2009 Workforce Investment Act allocations. (20 CFR Part 667.107(b)(2))
- Local administration is limited to a maximum of 10 percent. (Workforce Investment Act Section 128(b)(4) and 20 CFR Part 667.210)
- There is no hold harmless provision for dislocated worker funding.
- A workforce investment board may transfer up to 100 percent of the Program Year 2009 adult allocation and up to 100 percent of the Program Year 2009 dislocated worker allocation between the two programs. The Governor's approval must be provided before making any such transfer. Workforce Investment Boards cannot transfer funds to or from the Workforce Investment Act youth program. (Section 133(b)(4))

Allocations to the Balance of State's Eleven Regional Workforce Boards

On May 14, 2009, the State Workforce Innovation Council, acting in its capacity as BOS-WIB, voted to allocate the Program Year 2009 balance of state WIA funding for adult, youth, and dislocated workers to the eleven regional workforce boards. An allocation process very similar to that used for Indiana's two workforce investment boards is utilized to determine allocations to regional workforce boards. This ensures that funding for the regions within the balance of state is equitably allocated.

To compute WIA adult allocations to the Regional Workforce Boards, the following data was used:

- The number of unemployed for Areas of Substantial Unemployment are averages for the 12-month period, July 2007 through preliminary June 2008;
- The number of excess unemployed individuals or the Areas of Substantial Unemployment excess (depending on which is higher) are averages for the same 12-month period used for Areas of Substantial Unemployment unemployed data; and
- The numbers of economically disadvantaged adult data (age 22 to 72, excluding college students and military) are from the 2000 Census.

To compute WIA youth allocations to the Regional Workforce Boards, the following data was used:

- The number of unemployed for Areas of Substantial Unemployment are averages for the 12-month period, July 2008 through preliminary June 2009;
- The number of excess unemployed individuals or the Areas of Substantial Unemployment excess (depending on which is higher) are averages for the same 12-month period used for Areas of Substantial Unemployment unemployed data; and
- The numbers of economically disadvantaged youth data (age 16 to 21, excluding college students and military) are from the 2000 Census.

To compute WIA dislocated worker allocations to Regional Workforce Boards, the following data was used:

Allocation Factor	Data Source & Time Period	Weight
Insured Unemployment Data	Annual report of unemployment compensation claimants – unemployment insurance data for Calendar Year 2008	30%
Unemployment Concentration Data	Labor force for counties report – labor market information for Program Year 2007	30%
Plant Closing & Mass Layoff Data	Plant closure/mass layoff report – WARN Notices for Calendar Year 2008	15%
Declining Industries Data	County employment patterns report – labor market information for Calendar Year 2007	10%
Farmer/Rancher Economic Hardship Data	Census of Agriculture – county data for Calendar Year 2006	5%
Long-term Unemployment Data	Annual report of unemployment compensation claimants with 15 or more weeks claimed – unemployment insurance data for Calendar Year 2008	10%

The following are important facts concerning the Workforce Investment Act regional allocations:

- The allocations are available for obligation beginning July 1, 2009.
- Workforce Investment Act cost limitations are allocation-based.
- Funds must be, at a minimum, 80 percent obligated at the end of the program year in which the funds were allocated – June 30, 2010 for Program Year 2009 Workforce Investment Act allocations.
- 70 percent of the allocation including the transfer activities must be spent in the first year.
- Funds must be 100 percent expended by the end of the program year succeeding the program year in which the funds were formula allocated or be returned to the state – June 30, 2011 for Program Year 2009 Workforce Investment Act allocations.
- Regional administration is limited to a maximum of 10 percent.

- A Regional Workforce Board may transfer up to 100 percent of the Program Year 2009 adult allocation and up to 100 percent of the Program Year 2009 dislocated worker allocation between the WIA adult and WIA dislocated worker programs. The SWIC's approval must be provided before making any such transfer. They cannot transfer funds to or from the Workforce Investment Act youth program.
- Not less than 30 percent of allocated WIA youth funds must be expended on services to out-of-school youth

Effective Date

July 1, 2009

Ending Date

June 30, 2011

Ownership

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Action

Regional administrators are instructed to distribute the information contained in this communication to appropriate staff.

Attachment

Workforce Investment Act Program Year 2009 Allocations

Workforce Investment Act Program Year 2009 Allocations

Total	Adult	Youth	DW	Total
State Allotments	\$16,349,181	\$18,417,265	\$25,076,767	\$59,843,213
>State Admin	\$817,458	\$920,862	\$1,253,838	\$2,992,159
>Governor's Discretionary	\$1,634,918	\$1,841,727	\$2,507,677	\$5,984,321
>Rapid Response			\$6,269,192	\$6,269,192
>Amount to be allocated to the workforce investment boards	\$13,896,805	\$15,654,676	\$15,046,060	\$44,597,541
Workforce Investment Boards				
Marion County	\$2,661,316	\$2,845,317	\$2,028,172	\$7,534,805
Balance of State	\$11,235,489	\$12,809,358	\$13,017,888	\$37,062,735
Total	\$13,896,805	\$15,654,675	\$15,046,060	\$44,597,540
Balance of State				
Region 1	\$2,144,477	\$2,241,577	\$1,834,437	\$6,220,491
Region 2	\$1,511,403	\$1,765,863	\$1,740,867	\$5,018,133
Region 3	\$1,974,266	\$2,241,884	\$2,358,919	\$6,575,069
Region 4	\$934,413	\$1,280,520	\$1,381,779	\$3,596,712
Region 5	\$924,003	\$928,909	\$1,578,235	\$3,431,147
Region 6	\$1,116,735	\$1,328,595	\$958,785	\$3,404,115
Region 7	\$646,031	\$732,796	\$559,990	\$1,938,817
Region 8	\$541,796	\$756,204	\$654,296	\$1,952,296
Region 9	\$490,615	\$481,397	\$597,104	\$1,569,116
Region 10	\$448,260	\$426,990	\$576,331	\$1,451,581
Region 11	\$503,490	\$624,623	\$777,145	\$1,905,258
Balance of State Total	\$11,235,489	\$12,809,358	\$13,017,888	\$37,062,735